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Alexander Hamilton institute, New York
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New York
Date:
[193-?]

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BUSINESS
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DATE FILMED: 6/7/94 INITIALS: W.W

TRACKING # : MSH 01272

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# PM-MGP 13"x18"
# METRIC GENERAL PURPOSE TARGET
# PHOTOGRAPHIC

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150 mm

100 mm

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A5

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Century

A&P

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St. Paul, MN 55119

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12.6
Nicholas Hughes

# MODERN BUSINESS

REPORT No. 61

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# MANUFACTURERS' AIDS TO RETAILERS IN MARKETING GOODS

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MODERN BUSINESS

REPORT No. 61

# MANUFACTURERS' AIDS TO RETAILERS IN MARKETING GOODS

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## MANUFACTURERS' AIDS TO RETAILERS IN MARKETING GOODS

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## PREFATORY NOTE

Experience shows that on the whole, the public is influenced in its buying much more by what the retailer says than by what the manufacturer advertises. This does not mean that there is necessarily any conflict of interests between the two trade factors. It merely suggests that the manufacturer is wise who endeavors to meet the dealer's views as to the nature of the cooperation desired. If we are to judge from the conceded fact that at least two-thirds of all the so-called dealer-helps furnished by manufacturers to the trade are not used at all, then obviously most manufacturers are either not asking the dealers' advice, or else not taking it.

This Report is based on the practice of manufacturers whose dealer-helps are acceptable to dealers. It describes the principal forms of such helps, their uses and the manner of distribution and checking up.



## MANUFACTURER'S AIDS TO RETAILERS IN MARKETING GOODS

*Strategic Position of the Retailer in Marketing.*—While most manufacturers distributing their product thru the regular retail channels are fully aware that it is not really "sold" until it has left the dealers' shelf, and even until it has given satisfaction to the consumer and has demonstrated "repeating" quality, nevertheless they often underestimate the importance of the dealers' part in moving it and making it stay sold. And yet investigations without number, to say nothing of the unhappy experience of ill-advised manufacturers who have tried by advertising —by too little advertising—to compel dealers to stock goods they do not want, have left no possible doubt as to the weight of the dealers' influence. One of the most elaborate of these investigtions, made some years ago by the *Chicago Tribune*, showed that in nearly 31,000 cases, more than half were first influenced to buy favorite brands by their retailers while less than 38 per cent first bought as a result of having been influenced by advertising.

### First Aid to Retailers

The fundamental principle to be observed in preparing dealer aids, is that the retailers' interest and point of view must be represented in them. Many retailers believe that dealer aids are no more than devices for inducing them to provide room and space for the manufacturers' advertising, and where neither the manufacturer nor his advertising have any distinction, they strongly object to "holding the bag" for him, as they regard it. When, however, they are able to see profit for themselves in the helps, they are glad to give their cooperation. Instances are common of dealers, especially those in large cities, giving their valuable window-space free to manufacturers' displays, and not only that, but actually competing for the displays when they were of an especially attractive nature.

Generally speaking, a poster, hanger, fixture or window display that adds to the attractiveness of the store, that has pictorial or dramatic quality or a suggestion of elegance or beauty, will be acceptable to dealers; while one that is ordinary or garish, or blazoned merely with the manufacturer's name and trade-mark, will not be.

In seeking the dealer's point of view, the following points especially should be kept in mind:

*Featuring the Dealer.*—A retailer is not satisfied to be advertised merely as the man who handles the brand of such and such a manufacturer. He does not wish to base his reputation on the reputation of some one else; he wishes to build up a good-will of his own. This desire on the part of the retailer to lead his own life is wholesome and should be respected and encouraged by manufacturers. The services which the retailer renders to both manufacturer and consumer are far too important for him to be considered a mere order taker, a mere dispenser of goods. He places at the manufacturers' service his influence, knowledge of the peculiar needs of his territory and the confidence of people in his integrity and knowledge of the goods.

A manufacturer who considers the foregoing facts will see that it is to his own interest to encourage the efforts of the retailer to develop his own individuality. He will see that a dealer who does not build up a strong personal reputation for himself is not so useful an agent for the manufacturer's goods, as one who does build up such a reputation. Such manufacturers will offer the dealer something more than ready-made helps which feature the manufacturers' goods exclusively or do so with a mere mention of the dealer's name. They will encourage the dealer to write his own advertisements, furnishing him cuts and suggestions for his own displays, and in the ready-made helps which they provide, they will feature the dealer's store as well as their own goods.

*Competition.*—In the case of many commodities there are competing brands, and the dealers generally carry several different ones. They cannot therefore advertise A's goods, for instance, as "the best on the market" one week, and the next week display a similar sign declaring the same of B's competitive goods. Manufacturers should avoid sweeping superlative statements in their helps and confine themselves to an emphasis of selling points and distinctive features.

*Diverse Needs of the Retailers.*—It is a conservative estimate that more than two-thirds of the helps furnished to retailers are thrown away



unused because they are unadapted to the dealer's use. The kind of help which may be effective in aiding one class of dealers is often entirely unadapted to another class. Advertising copy appealing to the city man has little appeal to the farmer. A picture of an effeminate youth with a supercilious air will not ordinarily sell clothes in the country. Advertising copy for rural customers should not feature the extreme styles which often appeal to the city people. The time to distribute helps must also be considered, as selling seasons in rural communities are not so much dependent upon the calendar seasons as on crop seasons. Again, many dealers have not the time to instal elaborate window displays. The complaint that displays are too elaborate or too large for the windows of small dealers is common. Frequently, also, the newspaper electros supplied by the manufacturers are so large that the retailers cannot afford to run them.

*Quality of Helps.*—A cheap and trashy help will produce few sales, and the up-to-date dealers, whose cooperation has the most value, will not use such help. A mediocre trade aid, altho it may be used by a number of dealers if sufficiently pushed, has mediocre sales power. A really high-class advertising help, embodying a real idea expressed in attractive form, on the other hand, will make the liveliest and most progressive dealers glad to use it, and on account of its distinctive character will produce large sales. The number of helps now furnished to dealers is so great that it is more and more difficult to get low-grade helps used and it is practically necessary that the help be above the average if it is to be used extensively. The economy of concentrating the appropriation on a few high-class helps is obvious.

*The Human Element in Cooperation.*—Cooperation with the dealer means more than supplying dealers with window cards, posters, newspaper cuts, etc. The dealer may use every poster or cut-out which the manufacturer sends him, but his personal interest and influence is worth more than all of them. The dealer is well aware of his importance to the manufacturer, but he often feels, and with reason, that the manufacturer does not appreciate it. The best way for the manufacturer to express his appreciation of the dealer is to go out of his way to help him. Instead of contenting himself with pushing his own line, the manufacturer should also assist the dealer in a general way, in any way he can, as for example, with his advertising and in his ordinary business problems. The most successful manufacturers follow this policy in aiding dealers.

Instead of furnishing electros, for example, which feature their own lines exclusively, the manufacturers also furnish electros which can be run in the dealer's general advertising, such as borders and picture features for use at special seasons, Christmas, Thanksgiving, etc. They furnish backgrounds or cut-outs for window displays which carry no advertising and can be used with other lines; or permanent display fixtures; and they make suggestions for increasing sales, cutting costs, handling stock, etc.

### Practical Suggestions to Dealers

The helps extended by manufacturers are of two general types:

1. Immediate advertising aid in selling goods
2. Helps designated to increase retailers' general efficiency as merchants.

The first class of helps includes electros for newspaper copy, window displays, counter displays, copy for newspaper advertising, circulars, booklets and miscellaneous literature, motion picture slides, hangers, posters, show fixtures etc. The second class consists of accounting systems, credit systems, advertising advice, and suggestions relating to retail selling, store management, etc.

*Helps to Increase the Retailer's Efficiency.*—The forms of general efficiency helps which are most frequently given are:

1. Accounting help
2. Credits
3. Advertising
4. Business opportunity suggestions
5. Salesmanship.

*Accounting Help.*—By accounting help is understood not only accounting systems proper, but also record and filing systems, systems of handling orders and bills, systems of stockkeeping and inventory, methods of handling cash—in short, all things pertaining to systems and records. The need of such help is shown by an investigation of Robert H. Ingersoll and Brother, which proved that nearly all the jewelers in a certain state were living off of 20 per cent of their stock. Mr. George J. Whelan of the United Cigar Stores estimates that not 50 per cent of the retailers take an inventory once a year. It is to the manufacturer's interest to have his dealers successful and this they cannot



be without the full knowledge of the details of their business which accounting gives.

A proper accounting system should enable the retailer to know his cost of doing business, total turnover and that on individual lines of stock, profits on each line and class of articles, the amount of each line on hand, the sales of each clerk, the amount of bills payable and bills receivable at any particular time, together with the dates they are due.

Many dealers are prejudiced against accounting help, because they believe it means too much work and they do not wish to hire extra clerical workers. Other dealers do not see the importance of proper accounting and are not interested in a complete system.

For these reasons, when complete systems of accounts are offered to the dealers, only a few of the more progressive instal them. Because of this, the manufacturer should not confine his accounting help to offering the dealers complete accounting systems, such as may be obtained by the Harvard University Graduate School of Business Administration or the Associated Advertising Clubs of the World, or the suggestions as to methods provided by the Federal Trade Commission, but he should attempt to help each dealer solve the accounting problems which are most urgent in his particular case. As the problems are solved and the dealer perceives the value of accounting, he will become converted to the idea of having a complete system.

The dealers most in need of accounting aid are likely to become known to the manufacturer thru his credit department. In the course of ascertaining why the dealer is slow pay, the credit man can discover what help the dealer needs and can tactfully arrange to give it to him. To discover the dealers whose cases do not come to the attention of the credit man, the manufacturer must rely upon the salesmen. Some manufacturers complain that the cooperation of their salesmen is difficult to secure because the latter do not wish to take their time from selling goods. When, however, salesmen see that such aid means increased sales, they are willing to cooperate. A large New York company, very successful in giving accounting help, relies largely upon its salesmen to discover cases in which help is needed. This concern issues a form on which are listed the possible needs of the retailers. The salesmen are instructed to watch for dealers who need help, to find their particular needs and learn whether they are open to suggestion. The salesmen make confidential reports to the credit man on a form provided and the

credit man takes up the matter with the dealer, either directly or thru the salesman.

In most cases, the remedy is simple. For example, the retailer may be in chronic difficulty in spite of having many good points and may not be able to buy as heavily as the salesman knows he should. The salesman makes a few inquiries and decides that the dealer is selling a large proportion of his goods at or below cost. He reports to headquarters and later, with assistance from the office, helps the dealer to devise accounts which will show him costs and require little work to keep.

Many dealers have a large part of their capital tied up in dead stock. In order to prevent this situation a perpetual inventory is highly desirable, but it is not an absolute necessity. It is possible to devise checks which will show what goods are selling and protect against leaks. The manufacturer can also show these dealers simple and rapid methods of taking stock, which will materially reduce the time and labor of this ordinarily burdensome operation.

One frequently useful result of improving the dealer's accounts is that it aids him to improve his credit at the bank. A dealer who can draw up a good statement showing the condition of his business, especially a comparative statement showing its growth from year to year, is regarded with much more favor than one who cannot. The credit man of the New York firm referred to before, states that in some cases he has been able to increase from two to three times the amount of credit which the dealer secured at his local bank.

*Credits.*—Credit help consists of two sorts, helping the dealer improve his personal credit standing, and helping him in handling his own credits.

The method of extending aid of the first sort is to investigate cases of slow-pay customers, cases of suits against customers, and all cases in which the customer's rating has declined. In such cases the manufacturer's credit man or salesman will draw the retailer out as to the cause of his trouble and attempt to get him interested in securing help from the manufacturer. An investigation may disclose that something is really wrong with the retailer's business, in which case the proper remedy is applied. In other cases, the trouble may be due to the dealer's laxity in meeting his bills or to a dispute with a jobber or manufacturer. In such cases, the credit man will point out the effect of the delay or dispute on the customer's credit rating. Retailers often entirely fail



to appreciate the effect on their credit rating which a failure promptly to pay their obligations entails. By setting the dealer right on this important point and showing him that it is better to borrow and pay than to delay payment, the manufacturer may secure the dealer's goodwill.

There may be cases in which the dealer's general credit rating is lower than the manufacturer's experience would indicate that the dealer deserves. The credit man of a New York manufacturer has won the good-will of a number of dealers by helping them secure higher ratings. The lower rating may be due to the neglect of the retailer to furnish the mercantile agency with certain required information or to his failure to take his discounts. In either case, the manufacturer's advice is helpful and is generally appreciated.

Manufacturers in many lines are assisting in popularizing the use of the trade acceptance among their retail customers. The general adoption of this credit instrument would automatically dispose of many of the manufacturers' and retailers' credit worries.

Extending credit themselves to customers is a matter on which many retailers are similarly uninformed. The manufacturer can help them greatly here and save them much money. The average dealer has no system at all in granting credit. He sets no definite limit to the amount of credit a customer shall receive, or the length of time for which it shall be given. When the debt is due he does not insist on its being paid nor even refuse to grant further credit until it is paid, but goes on granting credit in cases where the likelihood of payment is very doubtful. Many dealers lack a system of keeping track of their debts, so they cannot tell at a glance how much each customer owes them and for how long it has been owing. On this account they often allow debts to become old and hard to collect from mere oversight.

The manufacturer can be of great assistance to many dealers by explaining what points to consider in deciding whether to grant credit, how much and for how long. He can explain the necessity for setting limits. He can show them how to keep track of their debts. He can demonstrate the importance of charging off doubtful accounts immediately. Some manufacturers furnish their dealers with a series of follow-up collection letters to use on their customers, the letters being written to fit the requirements of the individual dealer. These helps of course must come from the manufacturer's credit man, who must thoroly un-

derstand retail conditions and sympathize with the retailers' point of view.

*Advertising.*—All dealers value advertising, but few are acquainted with the principles of preparing copy, arranging displays, planning campaigns, etc. The small retailer, consequently, is at a great disadvantage in this respect when he has to compete with the department stores or the mail-order houses, and appreciates any real help he can get.

Many manufacturers systematically help the dealer to improve his advertising. Some do it by offering regular instruction in the principles of the art. They may, for example, point out the importance of a forceful, definite appeal around which to write the "ad". They may then mention the various appeals, "human interest," "reason why," quality, price etc.—and indicate when it is considered appropriate to use one and when to use another.

After the appeal is settled, there is a short effective headline to be selected which will draw attention to the "ad" and perhaps embody the appeal. Such a heading as "The Deaf Now Hear Whispers," has become famous.

The next problem, as the manufacturer may point out, is to back up the headline with effective "copy". This depends upon what is advertised. Silks and shingle nails need copy of different tones. Ordinarily, copy should be brief and direct to the point. It should be courteous. It should talk business, should explain and make the customer appreciate in advance the pleasure to be derived from ownership or consumption of the article advertised. The dealer can do no better than study department store and mail-order house copy in order to discover and understand its selling quality.

Instruction in the principles of advertising is given either thru house organs and dealer literature or systematically in a course of lessons. Courses are written for the most part by the advertising managers of the manufacturing companies, but special sections are sometimes prepared by specialists. They are handled from a general viewpoint to enable the retailer to get up copy of any nature he is likely to require.

While the manufacturers supplying courses are careful not to feature their own product, the advertising of it by dealers is, as a rule, much increased, indicating furthermore that there has been created for it a substantial good-will.

Some manufacturers offer the assistance of their advertising depart-



ment to dealers or maintain a special service department to advise dealers in regard to advertising. The assistance rendered is similar to that furnished by an advertising agency. The service department stands ready to suggest advertising ideas, outline advertising plans, prepare copy and criticise ideas, plans and copy submitted by retailers. The dealers are encouraged to consult the service department on all advertising problems. The service is not restricted to advertisements of the manufacturer's own line but is aimed to help the dealer generally. It is clear that the value of the service depends entirely upon catching the retailer's point of view and upon rendering something more than a stereotyped service.

Many manufacturers also give the dealer instruction in the principles of arranging window and counter displays, telling the best color combinations, suggesting desirable backgrounds, and listing errors to be avoided. The reason for most poor displays is a lack of simplicity or unity. They have no order or center of attraction to give them a meaning, but consist of a scattered miscellany of articles which fail in consequence to make any definite impression on the passers by.

Many displays are set too low and flat. They do not rise up to meet the eye and force themselves upon the attention; they lack power.

The beauty of a display depends largely upon the background and decorations. Manufacturers can aid dealers in improving their backgrounds by instructing them in regard to draping, making rosettes, sunbursts, etc. Many other practical suggestions in regard to the construction of windows, fixtures etc., may also be given. (See Modern Business Service Report No. 83).

*Advice on Business Opportunities and Selling Methods.*—The manufacturer who starts with helping the dealer in his advertising will probably find it worth while to widen the scope of his assistance. The complaint is widespread among dealers that on account of the large variety of articles in stock, they are unable to study the selling possibilities of more than a few. If a manufacturer can supply a dealer with reports as to the experiences of other dealers and descriptions of the methods used by them with success, he will find these particularly acceptable to the dealers. The manufacturer's house organ is an excellent medium for disseminating this information.

The following are examples of business opportunities and sales suggestions, which have been made by the manufacturers:

A manufacturer of writing paper, instead of merely emphasizing the opportunity of retailers to sell writing paper during the vacation season, furnishes them with hand-lettered reproductions of apparently local store cards to remind customers to secure a supply for their vacation trips.

This same manufacturer passes around word of a stationer who expected to sell many favors, place cards and individual nut and candy box novelties, and then, grasping the idea that he was in a favorable location to sell the candy and nuts used to fill the novelty boxes, put in a line and worked up a very creditable business in sweetmeats at no extra overhead expense.

A manufacturer of photographic supplies emphasizes the opportunity which the end of the vacation season gives the dealer to make money in his development department, by developing the negatives taken by his customers on their vacation trips.

A manufacturer of silverware shows the jeweler the selling advantages of silverware over personal jewelry, because the sale of silverware leads to more rapid "repeats," i. e., the customer who has started a set will buy more to complete it.

The manufacturer of a line of hardware points out that many women dislike to go into a hardware store because they have the idea that they are men's stores and in consequence they go to variety stores or department stores for cooking utensils. This prejudice can be overcome by making a point of frequently displaying articles bought and used by women and inviting them to inspect the goods.

In addition to describing the experience of dealers, the average house organ prints facsimiles of successful "ads," photographs of window displays, etc.

The practice of progressive country dealers in issuing a store paper or circular at regular or irregular intervals, to keep in touch with their farm trade and meet the mail-order competition, affords an opportunity for rendering service which has received little attention from manufacturers. Some manufacturers furnish these dealers interesting material and helpful hints for their papers. Cartoons, cuts, epigrams, etc. are particularly desirable.

*Retail Salesmanship.*—A number of manufacturers have found it profitable to offer instruction in retail salesmanship to dealers' clerks. This is true especially of manufacturers of lines which are distributed



thru exclusive agencies, since under such an arrangement retailers and their clerks are more willing than would otherwise be the case to listen to what the manufacturers have to say.

Inquiry among retailers indicates that the great majority recognize the need of instruction in salesmanship. The one great need of most stores today is a simple, concise course of instruction that can be speedily absorbed by beginners in salesmanship, for it is very important to get started right.

Lines differ greatly from one another. Consequently what is feasible in one would be impracticable in another. For example, a progressive grocer remarks: "I cannot get a clerk to read any trade paper, or anything else that is connected with the business, and I have clerks above the average." Many stores selling hardware, dry goods, men's furnishings, etc. instruct their clerks.

There are four general methods of helping the dealer improve the salesmanship in his store: (1) systematic instruction by means of correspondence courses, (2) personal demonstrations, (3) instruction by means of practical examples, anecdotes, maxims and selling pointers given in house organs and dealers' literature, and (4) salesmen's contests.

The first method has the advantage that it gives the salespeople a thoro, systematic training in all phases of the subject. While sales forces are constantly changing so that in a short time the benefit of the course to a given store may to a great extent be lost, nevertheless if the manufacturer is willing to give the course to every new clerk, or if the dealer will repeat the course at frequent intervals, this difficulty can be readily overcome.

A good example of a correspondence course in retail salesmanship is the one given by a manufacturer of women's ready-made clothing. This company sells thru exclusive agents and does a very large business, so that it is in a position to benefit materially from any improvement in the salesmanship of the retail clerks. Before deciding to give the course, the firm asked its dealers what it thought of the proposal and as to whether the salespeople would study the lessons. On the assumption that the dealer would be more interested in something in which he had put his money than in something which would cost nothing, the company put a nominal price on instruction of $2 per course.

The course consists of sixteen separate lessons. It covers the fun-

damentals of salesmanship, the meeting and greeting of the customer, sizing him up, the making of the sale, selling arguments, the materials and the manufacture of the garments, studies in colors and lines, and the factors connected with the person of the saleswoman, such as appearance, dress, personal attitude, habits, etc.

The course was sent one lesson at a time. It was thought that the salespeople would be more likely to study the lessons if they were sent this way rather than all at once. A set of questions accompanied each lesson. The clerks were expected to fill out the answers to these questions and send them to the manufacturer. The following lesson was not sent until the answers to the questions of the previous lesson had been received. The answers were corrected and graded by the manufacturer and returned with the next assignment. Each clerk who completed the course with an average of seventy-five per cent or more, was given an engraved diploma.

Some firms have traveling salespeople who instruct the clerks in the dealers' establishments; others maintain a training school for clerks at their factory. One corset manufacturer has a model retail store in its home town where it trains visiting clerks. A demonstration of high-class salesmanship given by the expert salesman or saleswoman before the dealer's eyes in his own store, is likely to make him an enthusiastic supporter of training in salesmanship.

Instruction by stories and anecdotes in house organs and dealer literature reaches many people who would not take a formal course. This method is continuous in its operation. It can be very effective, if care is used to get good stories and strong illustrations. Needless to state, the matter should be handled from the retail point of view.

Literature sent to the clerk at the store is often not read because it reaches the clerk at a time when he is busy, and is laid aside or forgotten. It is better to send literature to the clerk's home, his address being secured from the retailer, whose consent should also be secured before sending it.

Clerks change positions frequently. One method of keeping up the manufacturer's mailing list is to have the salesmen arrange with somebody in each store to notify the manufacturer of changes. Another more expensive and less satisfactory method is to check up the list once or twice a year by mailing card, requesting clerks to give their correct connection.



Another means of interesting the dealer's salespeople in improving their salesmanship and at the same time in pushing the manufacturer's goods, is thru sales contests. Many dealers object to these, on the broad ground that the additional business obtained thru harassing the customers is not good business. It all depends on how it is done. Some manufacturers make regular use of the device with the dealers' cooperation.

In such contests the award of prizes naturally cannot depend upon the absolute amount of sales, since this would give an undue advantage to clerks in stores in large cities. The best test is probably the percentage of increased sales or a point system in which volume of sales counts so much, increased sales so much, etc. The prizes usually consist of sums of money, jewelry, free vacation trips, etc.

An additional device for improving retail salesmanship is the use of booklets describing the materials, process of manufacture and selling points of the manufacturer's goods. There appears to be a real demand for such booklets and a number of manufacturers have used them with success. They are treated in more detail below.

*Traveling Efficiency Men.*—A large shoe manufacturer who sells his goods thru exclusive agencies finds it profitable to employ traveling efficiency men to help dealers. These are experienced and high-grade men who have been successful shoe dealers, who understand all phases of the business, including buying, accounting, credits, personal salesmanship, display of goods and advertising. Their work consists of going to stores where the sales record shows that help is needed, studying the situation until they find what is wrong and then showing the dealer how to apply a practical remedy.

The time required to remedy the trouble varies greatly; it may take days or even weeks to discover the difficulty. If, as is often the case, the dealer is carrying too many styles and so losing money on dead stock, the efficiency man shows him how he can get along with fewer styles. If the trouble is the poor location of the store, the efficiency man will probably advise a change of location.

Efficiency men have been of material help in showing dealers how to "trade up," that is push the better goods and establish their business on a quality instead of a price basis. Enormous quantities of goods are sold by the mail-order houses on the price appeal. As there is no way for the ordinary retailer to meet the price except by combination in

buying, the most effective procedure is to lead consumers to subordinate the price consideration.

*Other Methods of Help.*—The methods by which manufacturers can aid the retailers are in fact almost innumerable. They cover the entire range of retail merchandising. Any suggestion for improving merchandising methods will be welcomed by the retailers when it is practical and given with helpful intent. Among the miscellaneous forms of aid which have been welcomed by retailers is assistance to the dealer in preparing the statement of his business for taxation purposes. The requirements of many states and especially of the United States income tax law make this a complicated matter. The credit man of a large New York manufacturer has made a special study of the subject and has won the good-will of many dealers by helping them with this problem.

Manufacturers in several lines have performed a much appreciated service in furnishing to dealers buying charts or plans. The aim of a plan is to help the dealer avoid overstocking and left-overs by showing him how to analyze his demand, how to find out what weights, qualities or sizes sell quickest in his locality, and how to determine the quantity of stock to carry. The Regal Shoe Company was one of the first to work this out in detail.

The following list of helps will suggest lines along which assistance may be given.

*Accounting*:

Advantages of good accounts
Costs——calculation of, wrong way and right way, distribution of overhead, items to be considered in calculating costs
Inventories (perpetual)——how to keep
Legal value of——requirements with which accounts must comply to preserve the legal value
Records——what records are necessary and what they should show

*Advertising*:

Appeal——importance of the appeal, the kinds of appeal, how to make appeals
Appropriation——what should be the relation of advertising costs to total costs
Arrangement of the "ad," type, spacing, borders, cuts, blank spaces, centering, etc.
Continuity of advertising——value of
Cuts——good and bad
Copy, what is good copy, what is bad, how to describe goods
Displays (window and counter)——see under that head



Headlines——function of headline, requirements a good headline should fulfill
Leaders——what goods to feature, how to feature them
Medium——advantages of different types.
Out-of-door advertising
Planning of campaigns——advantage of planning in advance
Seasonal advertising—— suggestions for special seasonal advertising

*Borrowing*:

Advantage of banking connections——helps the banker can give beyond mere granting of credit
Advantage of taking cash discount
How to make wants known to banker
Statements——how to prepare statements of conditions for forming basis for securing credit
Use of credit——good impression made by drawing on account as little as possible

*Business Ideals*:

Place and purpose of retailer in business, usefulness and honorableness of his calling
Inspirational helps

*Buying*:

Overbuying——how to reduce the number of styles, lines and sizes carried in stock;how to determine sizes and styles needed

*Collections*:

Analyzing the customer——different types of slow-pay customers, methods of dealing with each
How to collect by letter——letters that get results.
Personal appeal

*Credit, Extension of*:

Analyzing customer
Fixing the amount——factors to be considered
Records——how to keep track of debts
Time limit——importance of a definite term and how to fix it

*Credit Rating* (of the retailer):

Discounts——importance of taking
Factors which influence dealer's rating
Overbuying——danger to credit standing from overbuying
Records——to keep track of bills payable and dates due

*Delivery Systems*:

What should delivery costs be?
Automobile——when is automobile delivery practical?
How to figure comparative costs

*Displays* (window and counter):

Backgrounds——making of sunbursts, rosettes, draping effects, etc.
Colors and color combinations——what are good and what

are bad combinations
Fixtures——construction of simple inexpensive fixtures
Ideas for displays
Motion displays——ideas for motion displays
Show cards
Simplicity——importance of
What to display
Windows——construction of
*Exploitation of Goods* (see Advertising, Displays, and Market Opportunities):
Bargain and clearance sales——policy in regard to, ideas for
Bargain department——ideas for
Dull seasons——ideas for creating business in
Mail selling——suggestions for selling by mail
Overstock——suggestions for getting rid of, with a minimum loss
Seasonal demands——ideas for taking advantage of special demands created by seasons, holidays, etc.
Slow-selling goods——suggestions for moving
Telephone——selling by telephone
"Trading up"——how to push the styles and qualities in which there is more profit
*Fads and Fancies*:
Possibilities in taking advantage of
*Insurance*:
Choosing company
Conditions of policy——explanation of standard forms
Eighty-per-cent clause——advantage of insuring full value of stock
Importance of insurance to dealer
Rates——conditions to comply with to get reasonable rates; how to get a lower rate
Records——what records to keep to prove losses
*Leaks and Losses*:
Bad debts——losses due to delivery department—dishonesty—overmeasurement—in figuring profits—poor care of merchandise—vermin—unsaleable stock—water
*Letters* (see also Mailing List):
Collection letters
Selling by mail
*Location* (store location):
Improvement of
*Mailing List*:
Building up a mailing list——sources of information
Classifying names on list——importance of and how to do it
Keeping the list up-to-date——how to get new names, how to eliminate worthless names
*Mail-Order Competition*:



Successful methods of meeting
*Market Opportunities*:
Special opportunities created by conditions (weather conditions, holiday demand, seasons, etc.)
Individual tastes of customers——importance of studying, card systems to keep track of
*New Lines*:
Opportunities for new lines of goods
*Organization and Management*:
Departments——organization of——divisions into
Discipline
Employment of help——factors to consider
Managers——selection of
Promotions——systems of
Records——(see Accounting)
Understudies——value of
Wage systems——(see under that head)
*Prices*:
Calculation of——how to set prices to yield definite profits
Turnover——advantage of large turnover
*Salespeople*:
Dress and appearance
Requisites of good salesmen
Training of——(see under Selling)
*Selling* (see also Exploitation of Goods):
Attention——securing customer's attention, transferring attention to other goods
Closing the sale——when to close, how to close
Customer——sizing up, how to analyze
Knowledge of goods——importance of what to know
Demonstration of goods——importance of and how to do it
Objections of customer——importance of anticipating, how to meet
Opening the sale——examples of good and bad openings
Personality of salesman——importance of
Promises——make no promises which you cannot fulfill
Showing goods——what to show, how to show, get customer to handle goods
"Trading up"——how to sell higher priced styles and qualities
Transferring customer to other salesmen
*Stock*:
Condition of stock——suggestions for keeping stock in good condition
Inventories——how to take
Lines and styles——what lines to carry, how to reduce the number of lines, styles and sizes
Old goods——how to move

*Store Arrangement and Equipment*:
Arrangement of departments
Care of merchandise
Cleanliness
Fixtures
Light
Ventilation
Waste of supplies

*Store Policy*:
Appeal——exclusive or democratic
Complaints——treatment of
Credits and collections——(see under those heads)
Delivery——(see under Delivery System)
Discounts——importance of taking advantage of
Exchange of goods
Guarantee of goods——policy in regard to
Markdowns
Sales——bargain and clearance sales, ideas for policy in regard to
Selling on trial
Taking goods back
Wage systems——(see under that head)

*Styles and Fashions*:
Advantage of becoming recognized as an authority on, for the community
How to keep posted on

*Taxes*:
Statements——how to prepare statements for Federal income tax, local assessors, state tax

*Trade Papers*:
Value of taking

*Wage Systems*:
Bonuses
Cheap labor——when it is expensive
Minimum wage
Premiums
Profit sharing

*Immediate Advertising Helps.*—These helps consist of the advertising material furnished by the manufacturer to the dealer to help him advertise the manufacturer's goods. They consist of booklets, circulars, marking cards, posters, hangers, signs, window and counter displays, window and counter display fixtures, newspaper electros, and moving picture slides.

*Booklets, Marking Folders, Post Cards, Etc.*—Inquiries among retailers indicate that booklets, folders and postal cards are among the



most effective forms of aid which manufacturers give. They are more effective in small towns and rural districts than in large cities.

The place to save money in booklets and other literature is not in the make-up, but in the distribution. It is better to distribute a small number of well-gotten-up booklets than a large number of cheap and shoddy appearance. Attractive material does not necessarily mean expensive material. Recent developments in printing, especially of the "offset" and rotary-intaglio processes make it possible to get up presentable booklets and catalogs at moderate cost.

Booklets and all literature should of course be written from the viewpoint of the consumer and should contain information which consumers need. They should be useful. Style booklets and books of recipes are of this sort. If the purpose of the booklets is to explain the merits of the manufacturer's goods, specific descriptions of the goods, with explanations of their materials, construction and the reasons for their superiority should be given.

An interesting example of a useful booklet which serves an advertising purpose is a vest-pocket golf score booklet, got out by a well-known manufacturer of men's underwear for his trade to distribute. One side of each page is a score card. The other side carries an "ad" of the underwear, golf data, cartoons, or a humorous golf story. The booklet was very popular and undoubtedly made good-will for the dealer and manufacturer.

Dealers prefer illustrations to too much reading matter. Prices should accompany the description of goods. This is especially true of literature for distribution in rural communities. Booklets that will go handily into an ordinary business envelop are considered more practical.

A detail of importance is that the dealer's name be imprinted on the books correctly. A manufacturer who made an investigation into the matter estimates that twenty per cent of all literature furnished the dealer for distribution is wasted on account of faulty printing. The dealer's name should be correctly spelled. Few things are more irritating than to have our names misspelled. The dealer's name should be imprinted so as to appear a part of the original printing, so as to identify the dealer with the booklet. If the dealer uses a special type or style of letters for his name, as many dealers do on their signs, windows and stationery, that style should be used and any slogan or pet phrase

that he habitually uses should also be included, or the dealer may not use the literature. The dealer's address should of course be correctly given. It should be kept in mind that literature describing a complete line is sometimes not adapted to dealers who carry only part of it.

Literature may be distributed by mail to a selected mailing list, or if unusually choice it may be advertised in the manufacturer's advertising and sent upon request, or it may be distributed to patrons in the store. In any case, the work of handling the distribution may be done either by the dealer or by the manufacturer, the dealer supplying the names and paying the postage. The dealer will also pay part of the cost of a booklet if it is more than commonly attractive.

The dealer generally prefers to manage the distribution of booklets himself and have the public come to his store and get them. When they do, this disposes him kindly toward the manufacturer. On the other hand, when the manufacturer handles the distribution and gets the requests, he has them to use as evidence to convince the dealer as to the reality of the demand for his goods, something which the dealer may not sufficiently consider unless it is specifically pointed out with concrete instances in hand.

Distribution of literature by mail to a selected mailing list is more adapted to rural districts than to cities, because city people will not take the time to read literature not sent at their request. It should help the rural dealer materially to enter this field. Building up a good mailing list is a matter of no little labor, and most retailers do not posses such a list. Those which they have are often out of date and unclassified, so that the mailing cannot be confined to the particular class of customers who are good prospects for any particular article.

The manufacturer can show the retailer how to build up a good classified mailing list. He will generally prefer to handle the mailing himself in order to make sure that it is well done and to prevent the dealer from ordering an unnecessarily large number of booklets. If dealers have to pay the postage, they will eliminate all useless names from their lists.

*Posters, Signs, Hangers.*—Posters, signs, hangers, etc., are used in two ways: by display in the store or window of the dealer, or by being posted around the town.

The use of posters, signs and hangers is limited. A large collection of miscellaneous signs and hangers, out of harmony with the furnishings and decorations of the store, makes a bad appearance.



By making their signs especially attractive, some manufacturers have succeeded in getting them widely used. Examples of this principle are furnished by the Coca-Cola, Moxey, Lowney, Mennen and International Silver Company's signs. Some of these are of metal, lithographed in many colors. The first cost of a sign is nothing in comparison to the length of its stay in a store. One sign may cost four times as much as another and be kept ten times as long.

In order to get their signs used, some companies also place on them some legend useful to the dealers. Thus some of the Coca-Cola Company signs for druggists and confectioners carry the line "Purchase soda checks from cashier and drink Coca-Cola." Other manufacturers furnish frames for holding signs, the frame bearing an advertisement of the manufacturer's goods. The dealer will use the frame to display his own signs and at the same time the manufacturer secures an advertisement for himself. Other devices used by the manufacturers are counter pads or cloths, serving trays, display cases, cigar cutters and lighters, all bearing the manufacturer's advertisement.

It is a good plan in giving signs and posters to have them perforated at the top so that they may also be used as hangers.

Out-of-door and street car posting is often paid for entirely by the manufacturer. Such posting campaigns are generally run as a part of a larger campaign in which the dealers agree to advertise the goods in the papers and display them in their windows. One of the chief values to the manufacturer of posting a town is that it induces the dealer to cooperate liberally with newspaper advertising and with window displays. It is easier for him to see the value of "connecting up" with this form of advertising than in the case of magazine advertising. The advertising is local in character and the dealer himself sees it at work. Shrewd advertisers make it a point to see that the route between the dealer's store and home is particularly well posted, on the principle that it is more important to win over the dealer than any one else and that, seeing the outdoor advertising several times a day, he will at least not underestimate its effect on the public.

*Electros and Advertising Copy.*—A department store in a large city has testified that every year it sells over one hundred pounds of manufacturers' electrotypes to the junk dealer. Another dealer writes that he is not able to use nine out of ten of the electros furnished him by manufacturers. The head of a large stationery firm says that he does

not believe that the advertising service furnished by the manufacturer is worth one-tenth of its cost. This negative testimony is useful only as providing a background to the work of the many manufacturers who do get thousands of dealers to run electros at their own expense. Electros are a necessity in most large companies and will be used in large numbers if the advertising and product are good.

The criticisms made regarding electros are that the "screen" is too fine for newspaper stock; or they are too large; that they look too "ready made"—that they feature the manufacturer's goods exclusively, or the copy is too general and commonplace.

The remedy for the first defect is simple. Electros can be made suitable for newspaper stock. The size of an electro is naturally a matter of greater consideration to a dealer in the city where newspaper space is expensive, than to a country dealer, but neither wishes to have big space crowded on him. He may be perfectly willing to use a small "cut" advertising the manufacturer's goods in order to let the public know that he carries them. But the cost of running a large one would be out of proportion to the resulting benefit, because he would not be advertising his own business primarily but creating a demand for goods which his competitors would also carry. If he had an exclusive agency, the case would be somewhat different, but even then there is a limit.

The last three criticisms apply also to electros which carry printed matter. The ready-made appearance is perhaps due to the style of type and set-up which may be in marked contrast to those used by the local newspaper. The dealer sometimes feels that "ads" like these make it appear that he is not enterprising enough or does not have the money or ability to prepare his own "ads."

To get over this objection, some manufacturers include in their copy arguments featuring the dealer's store and service. It is naturally difficult to write copy which is applicable to all stores and which at the same time adds individuality and distinction to the store using it, yet it is done.

It is generally recognized that the only way to distribute electros is upon request of the dealers. The problem consists in making dealers ask for them. The usual way is to send a sheet or folder containing facsimiles of the advertising cuts and copy. This should also carry a selling talk on the importance of advertising. It is a good idea to print testimonials from dealers who have used the electros. Evidence



that the "ad" has brought business to others makes the strongest appeal to the dealer. Manufacturers' traveling salesmen carry these sheets, talk up the advertising and take the dealer's order for electros. Salesmen need careful instruction on this point so that they will actually "sell" the dealers on the importance of using these electros and not merely arrange to send them all the helps on the list, to use or not as they like. It is necessary to keep a sharp eye on the salesman. With the safeguards of preparation and supervision, the method is by far the best.

A manufacturer of clothing induces his retailers to advertise his line by printing advertisements in the national magazines that feature clothing. The copy in the national advertising campaign appears as if written by the retailer and is signed "The .....Clothing Store in your town." The manufacturer's name appears only in small print. Dealers are only too glad to connect up their local advertising with national publicity of this sort, far more readily in fact than if the copy played up the manufacturer's name.

Many manufacturers pay or make allowance for a certain amount of local advertising themselves. They may send the copy direct to the newspaper, with instructions to consult the dealer about "typing" in his name at the bottom, or may leave everything to the dealer and ask merely for copies of the papers with the advertisement appearing. The effect of this advertising is to stimulate cooperation on the part of the dealers. Most manufacturers are willing to go as far as the dealers will go.

In order to meet the objections to electros, that they present a ready-made appearance, lack individuality, and feature the manufacturer's copy too exclusively, electros and cuts are furnished without reading matter and the dealer is encouraged to write his own "ads". The advertising service sometimes helps him to do this. This service is a consulting service, which takes up cases individually and criticises advertising ideas and copy submitted to it and suggests copy and selling ideas on request.

Another method of helping dealers prepare their own copy is to supply them with booklets describing the materials, construction and process of manufacture of the goods, and their selling points. On the basis of this information the dealer can write his own "ad." Inquiries among dealers indicate that most seem to prefer such booklets to ready-made

"ads". They find it difficult to study the selling points of the numerous articles in their stock and appreciate information in regard to them. The advertising manager of a large department store says "he would like a file full of such booklets."

*Window Displays.*—A dealer writes: "We never get enough suggestions for our windows. We are always hungry for display suggestions." Most dealers would doubtless say the same thing. The advertising manager for a large manufacturer of toilet preparations says that he believes his national advertising would be reduced one-half in effectiveness by the loss of the window displays which he secures.

The main qualifications for a good window display are: that it call attention to the goods, that it posses individuality, that it be simple and easy to set up, and that it be not too large.

A display may be distinctive and attract attention and yet not direct attention to the goods. This is bad, and yet the danger is one that is frequently overlooked, particularly in the case of motion display. Motion is one of the best means of attracting attention, but the object of the display is not to sell motion but to sell goods. Motion should be subordinated to and made to focus the attention on the goods.

Individuality may be secured either by exceptional beauty, or by novel ideas. The background and trimmings do a great deal to determine the beauty of a display. The best ideas come from putting yourself in the other man's place—in this instance, the passer-by—and asking yourself what you would like to see there.

Two criticisms of manufacturers' displays are that they are often too complicated and often too large for small windows. Dealers will not usually bother to work out a set of complicated directions and consequently will not use complicated displays unless they are exceptionally good.

Some displays are so expensive that they are not given to dealers, but are simply lent to them for a week or ten days and are routed on schedule over the country. This is particularly true of motion displays. The question of motive power is then important. If they are run by clock-work, the dealer may and often does forget to wind them, or in order to make it easy to wind them, puts them in a part of the window where they do not show to the best advantage. If the power is electricity, account must be taken as to whether the dealer's current is direct or indirect and also as to its voltage.



By all means, photographs or pictures of the display should be sent the dealers in advance. They should be accompanied by testimonials and figures showing the results produced. The pictures may be put in booklets which are distributed to dealers, or the manufacturer's salesmen may be supplied with pictures of the display and instructed to talk it up. In such cases, however, a check must be kept on the salesmen to see that they really "sell" the dealers on the idea of using the display.

Instead of furnishing dealers with a complete display with directions for setting it up, many manufacturers furnish display material, or suggestions for displays, or fixtures, and let the dealer work out the display for himself. This gives the dealer the satisfaction of knowing that the display is his own work. In order to interest dealers in constructing displays of their own, the manufacturer of a well-known line of food products has his salesmen trained to instruct dealers and clerks in fixing up displays. The salesman picks out some intelligent clerk and teaches him the elements. Saturday afternoons when selling is light, are especially devoted to this work by the salesmen.

A common means of interesting dealers in constructing displays of their own is thru window display contests. In conducting such contests, two things must be particularly borne in mind:

1. Care must be used to avoid arousing jealousy on the part of dealers who are unsuccessful in securing prizes.

2. The anti-lottery statute of the United States, which prohibits the use of mails for lottery schemes, must be observed. That is to say, there should be no element of chance. All schemes should be submitted to the post office to be reasonably certain of safety.

A device for procuring the display of a poster used by a clothing manufacturer, was to advertise that his clothes could be found in stores displaying the poster in their windows. A minature of the poster was reproduced in the advertisement. A manufacturer of a popular watch wins the good-will of dealers toward his display helps by furnishing, in addition to material for advertising his own line, other material useful for advertising other kinds of products.

Some manufacturers have window display crews of their own, who do nothing but set up displays. The advertising manager of a popular specialty sold thru grocers says that in his business it is practically necessary for the manufacturer to set up his own displays, because the average grocer will not do it.

A well-known hosiery manufacturer in particular who has made a specialty of displays, writes that they have two window display crews at work continuously installing and taking out their displays. The manufacturer says that dealers often speak ahead for weeks or months in order to obtain these special displays. It has been estimated that the cost of maintaining a display crew of two men including salaries, traveling expenses, up-keep and depreciation of displays amounts to between $5,500 and $6,000 per year. Such a crew should obtain about 500 displays a year. Needless to say, the work of the crew must be carefully planned in advance in order to obtain the best results.

It cannot be too strongly emphasized that the entire question of window displays is deserving of detailed and careful study. The work should be in the hands of a thoroly competent man, who understands retailers' problems and knows the kind of display they will use. If more of the work were in the hands of such men, the waste of display material would be considerably less.

*Counter Displays.*—A visit to a department store or to a chain store, will demonstrate to the satisfaction of any reader the importance attached to counter displays by these concerns. The interior of these stores is practically one vast counter display, with every counter used to the limit of its capacity. The manager of one of the drug chains estimates that twenty per cent of his sales are due to counter displays. A buyer of a large department store puts the figure at twenty-five per cent. Among the extensive distributors of counter displays are fountain pen manufacturers, makers of inexpensive watches, makers of safety razors, confectionery manufacturers, and in general, makers of small articles such as handkerchiefs, garters, belts and other small "convenience" goods.

In order to get these small goods displayed, small cases or racks are furnished on which to display them. The cases and racks furnished by the Ingersoll Watch Company, the Waterman Fountain Pen Company, the Parker Pen Company or the Sealpackerchief Company are familiar objects.

*Motion Picture Slides.*—There is a lack of conclusive data as to the value of picture slides to dealers. Several dealers list slides as among their best helps, but about an equal number say slides are of little value. One objection to slides is that they can contain but one advertisement. If they advertise the manufacturer's goods, there is only room for the



dealer's name in addition to the manufacturer's "ad". If the dealer is going to pay for running the slide, he naturally wants it to feature his store. In the case of goods which are handled by exclusive agencies, this objection loses its force. Slides will also be used by dealers in connection with special sales of the manufacturer's goods. If the manufacturer can induce the dealer to feature his goods for a week in his window and local newspaper advertising, the dealer will probably be willing to use slides, in order to call attention to the sale.

The chief criticism of slides is that they lack individuality, but that is not a necessary lack. One manufacturer has produced some very original slides, based on paraphrases of nursery rhymes with pictures of nursery characters. Such rhymes should be particularly appropriate in the case of articles which appeal to children. If the jingles are amusing children will learn and repeat them in their homes.

A number of manufacturers supply complete films advertising their goods. The dealer rents the theatre or buys up the seats and distributes tickets to his patrons. A manufacturer of women's apparel supplies films showing the spring styles displayed on living models. The human interest element should be introduced into such films when possible.

*Educating the Retailer.*—Manufacturers will be surprised to know the demand which exists among retailers for information in regard to the material, manufacture, and selling points of their goods. Again and again dealers say that they have so many lines that they are unable to give proper study to the selling points of each particular line, and probably the most frequent suggestion for the improvement of manufacturers' helps is that the manufacturer get out a small booklet describing the materials, methods of manfacture and selling points of his line. For example, an Eastern Pennsylvania jeweler writes: "We sell a certain brand of knives (silver plated) that we have always found to be the best, but we had been selling for many years before we found out why they were so much better than others. A son of the manufacturer told us how they went about plating——the *process.*"

A manufacturer of linoleum describes in one of his booklets the making of his product from the gathering of cork in Spain to the inspection of the finished goods. It contains about 75 pages and is printed on glazed paper with numerous half-tone illustrations. In order to increase the interest of the text, the story is told in the form of a narrative of a buyer who has just returned from a trip thru the factory.

Another method of giving information of this sort is by means of the house organ. The opinions of dealers in regard to house organs is widely divergent. "About one in twenty-five is worth looking over," writes one. Another says: "I have read some with interest and profit, but find the majority of such organs so bulging with self-interest that all the good that might be gotten out of them is lost." This is a pointer for the manufacturer; he must think and talk about the dealer and not about himself. When he does that, the dealers will read.

A third method of giving the dealer information in regard to the goods and selling methods is thru salesmen. Here again, as before, there is diversity of opinion in regard to the value of the assistance. Some dealers say most salesmen are too interested in making sales, or too ignorant of the goods to be really helpful. But this is not true of the seasoned salesmen of the large houses. Progressive manufacturers are too well aware of the benefits to be secured from cooperation to leave this to chance and they give their salesmen a thoro drilling in retail merchandising in order to be of real service to the trade. Live salesmen also pick up ideas on the road and pass them around. A combination of house organ and sales cultivation has done wonders.

The condition precedent to the willingness of the dealers to use the manufacturer's helps is naturally their willingness to push the goods. The essential consideration to any dealer in handling a line of goods is, of course, the profits which the goods pay. Response to our inquiries indicate that while advertised brands sell better than unadvertised brands, many dealers find that the advertised brands pay so small a margin that it does not pay to push them.

The usual answer of the manufacturer to this is that the smaller margin is compensated by the greater turnover, and this is true in many cases, but the dealer does not see the force of it when he has other lines which pay a better margin and in which he can produce as great a turnover. It is unfortunately true that the margin of profit in some cases is so small as to amount practically to nothing at all, no matter what the turnover. Manufacturers sometimes overestimate the help which their advertising is to the dealer in creating an increased demand. A proposition must be right at every point before cooperation can be assured.

Another objection to pushing advertised goods is that competitors have the same goods in stock. The dealer is interested in creating a rep-



utation for handling better goods at lower prices than his competitors, but when his competitors sell the same brands at the same price, he can claim no superiority for himself. He also feels that he is creating trade for his competitor.

The manufacturer's answer generally is that the merchant's competitor is in a like position and is at the same time creating trade for the merchant—that both of them working together without friction and selling known brands can each do more and better business than when the competition takes the form of pushing unknown articles. The turnover principle, in other words, is still more fruitful when applied to competitive stores. Lastly, the individuality or prestige that comes from satisfying service is worth far more than that which comes from owning or controlling one's own brands.

Country dealers complain that the main competition in their business is the price competition of mail-order houses and that they cannot push brands which cost more than the mail-order house brands. The best way the manufacturer can help them, they say, is to put out brands at prices which can compete with the mail-order houses. The general advice of the manufacturer to the dealer to talk "quality" is not enough. "Trading up" in the face of such clever competition as the mail-order houses offer is not an easy matter. If the manufacturer wishes to help dealers here, he must make an intensive and careful study of the situation and offer concrete suggestions.

In some cases, the unwillingness of dealers to push a manufacturer's line is due to the fact that the dealer does not see the value of pushing particular lines. He figures that his profits come mainly from his general business and that he cannot afford to spend money pushing particular lines, the profits from which constitute but a small proportion of his business. In order to overcome this objection, the manufacturer must show the dealer that his general trade will take care of itself if he creates a reputation for handling quality goods at reasonable prices and if he gets people in the habit of coming to his store. One of the best means of accomplishing these objects is in pushing goods of recognized merit.

Granting that there is no real reason why the dealer should be unwilling to push the goods, the manufacturer must show him the latent demand for the goods which can be changed into an actual demand by pushing them. This demonstration of the value of pushing the goods must

be convincing. The days of spreading a lot of "hooray" literature telling of the tremendous demand the manufacturer's advertising is going to create and inviting the dealers to get on the band wagon and prepare for it, are past. The much heralded demand has so frequently failed to materialize that it antagonizes dealers at once to appeal to them in this way. Nowadays they generally expect the manufacturer to start the demand himself, before they will stock.

### Checking up the Use of Helps

The methods of checking up the use of helps vary with the character of the help used. In the case of newspaper electros, it is quite common for the manufacturer to request the retailer to furnish him proof of the electros used. Manufacturers also subscribe to clipping bureaus, in order to secure this information. Another method is to inclose a return postal card with the material with a form on the back for the dealer to fill out indicating how he has used the helps. More effective than this method is following up the helps several weeks after they are sent with a postal card asking for a report. The following questions are included on the card sent by a prominent manufacturer of silverware:

1. Has the dealer found the advertising aid helpful?
2. What change or improvements would he suggest?
3. Has he used the window display matter?
4. Can he trace any direct results in sales from its use?
5. What results can be traced from circulars or other helps?

Altho this manufacturer reports that less than half of these cards are returned, he says he feels well satisfied with the results and that he is able to keep more closely in touch with the requirements of the trade than was the case before this method was adopted. He writes: "Not only do we feel that we know what our helps are accomplishing, but in answers to the questions regarding suggested changes or improvements, we have every now and then received advice that has proved of more or less importance."

Salesmen are frequently used to check the use of helps by dealers. In order to induce the salesmen to do this work, one manufacturer uses a system by which the salesman gains a point in the sales contest for each advertising report on a dealer.

In order to have a really effective check on the use of helps, the manufacturer should have a card index of all dealers to whom helps are supplied. These cards should contain a record of the helps sent to the dealer, the use made of them, the results reported, and any criticisms and suggestions received from the dealer. The salesman should be instructed to ascertain as far as possible what kinds of helps the dealer can use and prefers, and this record should be entered on the card.

Such a card system should be of great assistance to the manufacturer in keeping in touch with the dealer's needs, in guiding him in designing his helps and in eliminating waste. The manager of the dealers' aid department of a well-known Eastern advertiser says that the chief obstacle he encounters in administering his department, is the impossibility of keeping in as close touch with his thousands of dealers as he desires. Certainly the experience of many shows that the character of aid rendered has suffered more from the failure of the manufacturer to be in touch with the retailers' needs than from any other single cause.





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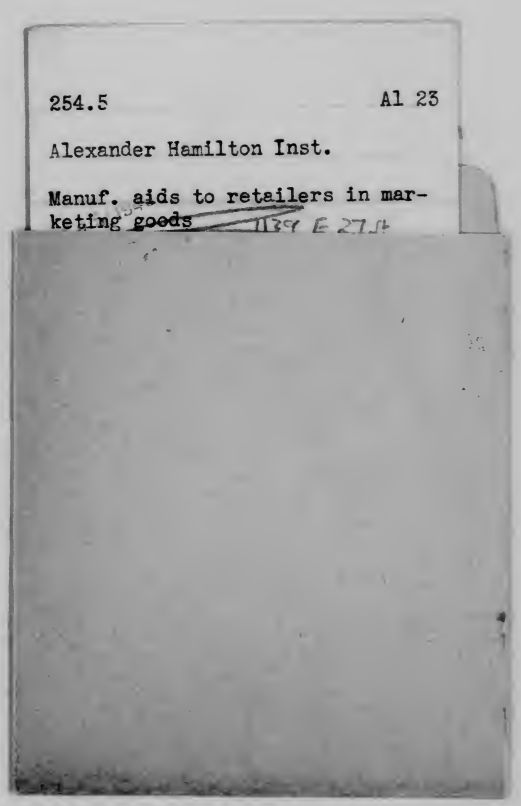

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